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Mexico and NAFTA

The North American Free Trade Agreement (NAFTA) on January 1, 2003, will abolish tariffs on 21 farm products ranging from wheat and potatoes to pork and chicken. Opposition Party of the Democratic Revolution (PRD) deputies presented a bill that would allow President Fox to temporally suspend the application of NAFTA's Chapter 17, on agriculture, in order to begin formal renegotiations to protect the Mexican's agriculture sector from U.S. and Canadian products.

The National Agricultural Council (CNA) and the National Confederation of Farm Workers claimed that Mexican farmers would not be able to compete with U.S. and Canadian farmers when agricultural tariffs are repealed. CNA President Armando Paredes warned many farms would disappear and at least 750,000 could go next year alone. Agricultural products at the center of the controversy include eggs, apples, barley, pork and chicken. Mexican poultry producers have requested a 98.8 percent emergency import tariff on chicken thighs and drumsticks imported from the U.S. Currently the tariff on U.S. chicken is 49.4 percent and is scheduled to be eliminated in 2003.

U.S. Poultry Exports to Canada and Mexico, in '000 metric tons

	January – September		September	
	2001	2002	2001	2002
Canada	85	98	10	13
Mexico	201	183	23	18

A U.S. poultry group called for a five-year delay for Mexico to eliminate all import duties on chicken leg quarters to avoid major market disruptions in the Mexican poultry industry. In return, the U.S. industry would want assurances that there would be no added delays and that Mexico would lift some "artificial trade restrictions" it now imposes on U.S. poultry, including sanitary standards the U.S. industry considers unreasonable.

Agriculture accounts for about 5 percent of Mexico's gross domestic product (GNP) and employs over 20 percent of the labor force. Source: USDA/FAS and various news sources

European Poultry Club

At the initiative of the German Agricultural Society (DLG), Europe's leading egg and poultry farmers founded the European Poultry Club (EPC). Egg and poultry producers have thus now joined together to provide a European platform. At the founding session, attended by representatives from ten countries, Gerhard Wagner from Regenstauf, Oberpfalz, a producer of hatching eggs and broiler chicks and Chairman of the Central Association of German Poultry Producers (ZDG) was elected founding president of the European Poultry Club. The objective of the European Poultry Club is to provide the leading business farmers with an impartial, international platform for the exchange of experience and opinions.

Source: www.wattnet.com

Nigeria's Poultry Production

Nigeria's poultry production is expanding but is not keeping pace with rapidly increasing domestic consumption requirements. The domestic supply shortfall is estimated at 25,000 MT per annum. Despite the supply shortfall, the Government of Nigeria (GON) imposed a ban on legal frozen poultry imports in July 2002 to support local production. Prior to the new ban, apparently virtually all poultry meat imports entered the country unrecorded. Nigerian poultry producers are unlikely able to compete with illegal frozen poultry imports because of the high cost of inputs such as domestic corn which has averaged over US\$300/MT over the last three years.

Despite the ban, field visits to several major market depots revealed that poultry products are still available. Local traders reported that imported frozen poultry is being transported via land borders. The volume of such imports has however, declined due to increased surveillance and seizure by the regulatory authorities. As a result, availability of poultry products in the market is somewhat curtailed and prices have increased.

Local poultry producers have applauded the GON for implementing the import ban, but are quick to add that the real threat to local production is illegal imports, not legal imports. With President Obasanjo seeking reelection in 2003, industry sources believe that the import ban on frozen poultry will likely continue. Trade sources indicate that illegal cross-border imports will continue to thrive due largely to the large domestic supply shortfall. In the mean time, the ban has put on hold recent efforts by importers of frozen poultry to reinstate legal import purchases from the United States.

Source: USDA/FAS

Japan's Imports of Frozen Egg Products

	Whole Eggs	Frozen Yolks	Frozen Albumen	Total
2001				
June	166.7	1,053.5	117.6	1,337.8
July	186.6	954.9	187.3	1,328.8
August	149.0	989.3	189.1	1,327.4
To-Date	1,473.0	8,059.7	1,812.8	11,345.5
2002				
June	247.8	901.4	18.1	1,167.3
July	260.7	1,303.6	0	1,564.3
August	247.7	1,119.1	0	1,366.8
To-Date	1,939.5	7,754.1	320.1	10,013.7

Source: ALIC

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (Preliminary)**

Week Ending November 30, 2002	Year-To-Date			
	2002	2001 /1	2002	2001
Liquid	510	227	19,180	12,408
Frozen	0	0	21	78
Dried	0	40	760	362
Total	510	267	19,961	12,848

U.S. Imports From Canada, in Pounds (Preliminary)

Week Ending November 30, 2002	Year-To-Date			
	2002	2001 /1	2002	2001
Liquid	60	190	5,884	5,527
Frozen	9	46	3,117	1,555
Dried	80	0	4,889	614
Total	149	236	13,890	7,696

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending November 30, 2002	Year-To-Date			
	2002	2001 /1	2002	2001
Jumbo	33	0	1,572	87
Extra Large	1,020	2,360	48,349	66,402
Large	3,010	4,133	132,921	132,214
Medium	778	1,193	46,891	43,251
Ungraded	12,780	9,430	337,985	420,610
Misc	0	750	14,737	70,364
Total	17,621	17,866	582,455	732,928

/1 Comparable Week, to-date figures may not total due to rounding.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 30-Nov-02
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,223	1,010	2,233
LAST WEEK	1,663	1,556	3,219
SAME WEEK YR AGO	1,932	1,419	3,351
TO-DATE/2002	83,123	67,928	151,051
TO-DATE/2001	85,190	66,154	151,344

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	235	7	242
LAST WEEK	233	4	237
SAME WEEK YR AGO	335	0	335
TO-DATE/2002	14,372	297	14,669
TO-DATE/2001	19,640	290	19,930

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,458	1,017	2,475
LAST WEEK	1,896	1,560	3,456
SAME WEEK YR AGO	2,267	1,419	3,686
TO-DATE/2002	97,495	68,225	165,720
TO-DATE/2001	104,830	66,444	171,274

SOURCE: USDA/AMS PLTRY PROGRAMS, MRKT NEWS BR.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

06-DEC-2002				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

06-DEC-2002				
	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	13.00	61,200	-
WTD AVERAGE		13.00		
15-20%				
RANGE	11.00-13.00	10.00-13.00	890,800	163,200
WTD AVERAGE	12.00	10.96		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

06-DEC-2002				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

06-DEC-2002				
	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	14.50-16.00	13.50-16.00	1,203,000	686,000
WTD AVERAGE	15.02	14.73		
15-20%				
RANGE	12.00-13.75	11.00-14.00	1,534,600	252,000
WTD AVERAGE	13.45	12.69		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 6 DECEMBER 2002.

The market tone was steady to barely steady on breast meat. Offerings were more than sufficient for the light demand. Destrapped tenders were readily available in a range of prices. White trims were no better than steady. Tom parts were steady to barely steady as supplies ranged adequate to long. Trading consisted of mostly less than trucklot volumes. A light volume of tails traded at 17 cents. Institutional breasts were 104 on grade A nonbasted 12-14 lb sizes, 100 on plant grade nonbasted 12-16 lbs, 103 on plant grade nonbasted 16-18 lbs and 115 on plant grade basted 20-22 lb sizes. Export activity was light. Wing tips moved at 27 cents delivered port.

FRIDAY, DECEMBER 06, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	19.00		19.00	160	18.32	884
WINGS FULL-CUT - TOMS	19.00		19.00	52	19.00	52
WINGS, V-TYPE, TOM	19.00-20.00		19.60	200	19.58	252
TAILS		R	17.50	40	17.50	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	53.00	R	16.00	208	16.00	368
			53.00	240	51.75	292

THURSDAY, DECEMBER 05, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.50-20.00		17.92	436
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	19.50	52
TAILS	17.50		17.50	40
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	16.00		16.00	208
		W	46.00	52

WEDNESDAY, DECEMBER 04, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	17.50-19.00		18.01	236
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	19.50		19.50	52
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	16.00		16.00	160
	46.00		46.00	52

TUESDAY, DECEMBER 03, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	21.00		21.00	52
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		T	23.00	104
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	16.00	40
		F	47.50	208

MONDAY, DECEMBER 02, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	20.00	480
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		T	23.00	104
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	16.00	40
		F	47.50	208

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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